



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

Midland Memorial Hospital

Respondent Name

Liberty Insurance Corp

MFDR Tracking Number

M4-17-3273-01

Carrier's Austin Representative

Box Number 01

MFDR Date Received

July 7, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Per the TDI /DWC fee schedule this account qualifies for an Outlier payment... The correct allowable due is \$5,343.30 less their previous payment of \$4,092.86, which leaves an outstanding balance of \$1,241.44."

Amount in Dispute: \$1,241.44

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "All submitted codes and charges were considered in review. The bill was priced per CMS' OPPS rate of \$2,046.43 for provider # 450133 @ 200% or \$4,092.86."

Response Submitted By: Liberty Mutual

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
July 18 - 19, 2016	Outpatient Hospital Services	\$1,241.44	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.403 sets out the reimbursement guidelines for outpatient hospital services.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - Z652 – Recommendation of payment has been based on a procedure code which best describes services rendered
 - B13 - Recommendation of payment has been based on a procedure code which best describes

services rendered

- W3 – CPT or HCPC is required to determine if services are payable
- 193 – CPT or HCPC is required to determine if services are payable

Issues

1. Is the requirement for outlier payment met?
2. Is additional payment due?

Findings

1. The requestor states in their position statement, "...this account qualifies for an Outlier payment which is as follows: Outlier: \$15,469.00 Total Allowable Charges x .323 Cost to Chg Ratio = \$4,966.49 Hospital's Cost."

28 Texas Administrative Code 134.403 (d) states in pertinent part,

For coding, billing, reporting, and reimbursement of health care covered in this section, Texas workers' compensation system participants shall apply Medicare payment policies in effect on the date a service is provided

Review of the 2016 OPPS Final Rule Facility Specific Impact file at

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS> finds the Outpatient Cost-to-Charge Ratio for Provider Number 450133 to be 0.200 not .323 as stated by the requestor. Therefore, the requestor's position statement is not supported.

The Medicare payment policy found in the Medicare claims processing manual, Chapter 4, at

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf> states,

The current outlier payment is determined by:

- *Calculating the cost related to an OPPS line-item service, including a pro rata portion of the total cost of packaged services on the claim and adding payment for any device with pass-through status to payment for the associated procedure, by multiplying the total charges for OPPS services by each hospital's overall CCR (see §10.11.8 of this chapter); and*
- ***Determining whether the total cost for a service exceeds 1.75 times the OPPS payment and separately exceeds the fixed-dollar threshold determined each year;***

The total cost of all packaged items and services, including the cost of uncoded revenue code lines with a revenue code status indicator of "N", that appear on a claim is allocated across all separately paid OPPS services that appear on the same claim. The proportional amount of total packaged cost allocated to each separately paid OPPS service is based on the percent of the APC payment rate for that service out of the total APC payment for all separately paid OPPS services on the claim.

If a claim includes a composite payment that pays for more than one otherwise separately paid service, the charges for all services included in the composite are summed up to one line. To determine outlier payments, CMS estimates a single cost for the composite APC from the summarized charges. Total packaged cost is allocated to the composite line-item in proportion to other separately paid services on the claim.

Review of the submitted medical bill finds the codes classifications are as follows:

- Procedure code 99284 has a status indicator of J2 – "Comprehensive APC payment based on OPPS comprehensive-specific payment criteria. Payment for all covered Part B services on the claim is packaged into a single payment for specific combinations of services, except services with OPPS SI=F, G,H,L and U; ambulance services; diagnostic and screening mammography; all preventive services; and certain Part B inpatient services" and has an APC assignment of 8011.

Based on the APC classification shown above the outlier calculation is found below.

APC Payment Amount	APC Total Cost	Allocated percentage	Allocated portion	Line item cost calculation	APC payment x 1.75	APC Payment plus \$3,250 (fixed dollar threshold)	Does estimated cost exceed APC payment x 175 AND APC payment plus \$3,250
8011 \$2,174.14	\$26,591.00	\$2,174.14/ \$26,591 = 0.08	.08 x \$26,591 = \$2,127.28	\$2,127.28 x .200= \$425.46	\$2,174.14 x 1.75 = \$3,804.75	\$2,174.14 + \$3,250.00 = \$5,424.14	No

2. As shown above the Medicare payment policy for outlier payments was not met. No additional payment is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based on the submitted information, pursuant to Texas Labor Code Section 413.031, the division hereby determines the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

		July 26, 2017
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.